



U.S. Army Utilities Privatization & Energy Bulletin

A New Year word from for Facilities & Housing:

Deputy

State of the UP Union...Well hardly, - we'll leave that for others, but it is January and like the two faced Roman god, Janus, the month was named for, it's a good time to look both back and forward. The look back for Army, covers many years. Army started utilities privatization well before OSD formalized it and we intend to finish it before the OSD imposed deadline. When we look back just one year we find Army was serious enough to create a new position, the Deputy Assistant Secretary of the Army for Privatization and Partnership, filling it with Mr. Armbruster and giving the program high-level visibility.

Another giant step took place just last October when the Army set up the Installation Management Agency which will provide improved funding and regional execution for utilities privatization.

When Janus turns his eyes to the future, there is still much to do. Although we can see the end of the original privatization test, it is time to realize that there still may be some utilities that will NOT be privatized. For these systems, the next step must be modernization. That means planning, programming and budgeting. It is not too soon to think about this time consuming process. Our ultimate goal is modern, efficient utility systems, regardless who owns them. I would like to end with that inspiring slogan: "Let's Roll!" ..but we've been rolling for a long time now so better to start this New Year by saying, we're on track - Keep Rolling!

Bitter Sweet:...Yes, we're bitter about losing our ace, , to the Army Secretariat. His "temporary" detail started last July and ended last month with his promotion as assistant to . We lost an outstanding action officer but the sweet part is that Rich short-stops a lot of questions before they hit us. Rich received a well-deserved Superior Civilian Service Award from MG Lust on 2 January.

Fond Farewell...to , who retired in December. John was the long time Chief of the Facilities Policy Division and always an outspoken champion of privatization. He will be missed. a well-qualified Army Civil Engineer who takes over later this month, will succeed John.

Keep it Simple!...We wish we could, but the information requirements of management have caused us to make a more detailed breakdown of the various steps of privatization within the PTS. We hope some of the added info helps you. As always, however, PTS is the sole, official record so please keep your data as current and correct as possible.

Sixty Four Dollar question?...Which system is going to be number 65? Our odometer is stuck on 64 with the following candidates in the final approval lap:

Fort Sill: Water and Waste Water

Fort Campbell: Water and Waste Water



Point Of Contact:

Chief of Utilities Privatization Branch
703.428.7001

General Engineer
703-428-8030

Current Status - Where are we now? The Army has privatized 33 systems since DRID #49 was issued in December of 1998. These systems are listed below along with the new provider.

Appendix A - Post DRID #49 Privatized Systems as of 22 Jan. 2002

Installation	Utility	New Provider
ABERDEEN PG	PW, WW	City of Aberdeen
A.P. Hill	EL	Rappahannock Electrical Coop.
BENNING	NG	United Cities Gas Co.
BENNING	EL	Flint Electric Membership Corp.
BLISS	EL	Rio Grande Electric Coop.
CAMPBELL	NG	Rio Grande Electric Coop.
DETRICK	NG	Washington Gas & Light
DETROIT ARS	NG	Consumers Power Co.
HAMILTON	EL, NG, PW, WW	ENRON
KNOX	EL	Nolin Rural Electric Coop.
LEE	PW	Virginia American Water Co.
McCOY	EL	Northern States Power Co.
MONTEREY	EL, NG	Pacific Gas & Electric Co.
MONTEREY	PW	California American Water Co.
MONTEREY	WW	City of Monterey
MONTRY ANNEX	PW, WW	Marina Coast Water District
NATICK RDEC	NG	NSTAR
PARKS	PW, WW	Dublin San Ramon District
PICATINNY ARS	EL	Sussex Rural Electric Coop. Co.
PICKETT	PW	Southside Electric Coop.
RED RIVER AD	PW, WW	Red River Redevelopment Authority
RED RIVER AD	EL	SW Electric Power Co.
SAM HOUSTON	NG	City of San Antonio
SILL	NG	Oklahoma Natural Gas
STEWART ARMY SUBPOST	NG	Central Hudson Gas & Electric
Total Systems Privatized - 64		

Energy Corner:

Awards: Like the Oscars, every year we compete and every year Army does well. Guidance for this year's awards already sent out on the annual SECARMY and Federal Energy Management awards. A great way to recognize excellence at your installation. Nominees also compete for Federal level awards and Army had many of the DOD winners last year. Let's repeat - your Energy POC is Hank Gignilliat on 703-428-7003.

Early in the year...but not too soon to mark your calendar for the GSA Energy 2003 conference on 17-23 Aug 03. We plan to set aside the last two days for DOD/Army meetings for IMA regions and the Installations. Keep tuned - more to follow.



Lessons Learned: You know your program's mature when you start getting audits from Triple A. You know you're immature when you don't learn from past lessons. A recent audit of one of our contracts awarded about three years ago pointed out two important lessons:

Audit Trail: Sufficient documentation must be prepared and retained to support the Price Evaluation Committee's decision and any adjustments made to the IGE during the negotiation process. This is a key decision and we must be prepared to support it with documentation.

QA Plan: The privatization contract MUST include a quality assurance program and surveillance plan. This plan should relate to the type of contractor being awarded the contract. Public Utilities or Cooperatives operate under a State regulatory body and IAW certain specified criteria and standards. Private contractors do not! Private contractors need to have detailed enforceable quality assurance requirement spelled out in the contract. There is a difference, and we took a hit for missing this on one of our contracts.